

~~SECRET//TK//NOFORN~~**NATIONAL RECONNAISSANCE OFFICE**

*Office of Inspector General
14675 Lee Road
Chantilly, VA 20151-1715*



28 June 2011

MEMORANDUM FOR DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
PRINCIPAL DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
DIRECTOR, MISSION OPERATIONS DIRECTORATE
DIRECTOR, OFFICE OF CONTRACTS
GENERAL COUNSEL
DIRECTOR, OFFICE OF SECURITY AND COUNTERINTELLIGENCE
COMMANDER, AEROSPACE DATA FACILITY - COLORADO

SUBJECT: (U//~~FOUO~~) Investigative Summary: False Claims
(Case Number 2010-112 I)

(U//~~FOUO~~) The National Reconnaissance Office (NRO) Office of Inspector General (OIG) completed an investigation based on an allegation that a Raytheon Intelligence and Information Systems employee engaged in labor mischarging by charging hours to an NRO contract he did not actually work. Please see the attached NRO OIG Investigative Summary report, which details the investigation results.

(U//~~FOUO~~) We request that the Director, Office of Security and Counterintelligence, place a copy of this report in the security file of the individual identified, along with a notation in the appropriate security databases. All other copies of this report are for informational purposes and should be returned to the OIG.

(U//~~FOUO~~) The OIG investigative reports are to be read only by the individuals to whom the OIG provides them, or to whom OIG specifically authorizes their release. If you believe other individuals require access to this report as part of their official duties, please let us know, and we will promptly review your request.

(U//~~FOUO~~) Please direct any questions regarding this summary to Special Agent at secure or to , Assistant Inspector General for Investigations, at secure .

(b)(3)

Lanie D'Alessandro
Inspector General

Attachment:
(S//~~TK//NF~~) Investigative Summary

CL BY:
DECL ON: 20610628
DRV FROM: NRO CG 6.0, 21 May 2005

UNCLASSIFIED when separated from
attachment

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DISTRIBUTION:

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Commander, Aerospace Data Facility-Colorado
Lead Investigator - []

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All redactions per (b) (3) and (b) (7) (c) unless otherwise indicated.

INVESTIGATIVE SUMMARY

False Claims - [redacted]
(Case Number 2010-112 I)

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(U) INVESTIGATIVE FINDINGS

(U//~~FOUO~~) On 26 May 2010, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) initiated an investigation after being notified by Raytheon Intelligence and Information Systems (RI&IS) regarding potential labor mischarging by an RI&IS employee, [redacted]. The RI&IS Human Resources department notified the OIG that [redacted] management had concerns specific to [redacted]. The OIG conducted a cursory review of [redacted] badge records for a 14-week period and uncovered questionable hours. [redacted] was a Senior Operations Engineer supporting an NRO contract at the Aerospace Data Facility-Colorado (ADF-C).

(U//~~FOUO~~) The investigation revealed sufficient evidence to support a conclusion that [redacted] actions violated *18 United States Code, Section 287, False, Fictitious, and Fraudulent Claims*, which makes it unlawful for anyone to make a claim that is knowingly false to a department of the United States. [redacted], a direct-charge employee, mischarged 455 hours between [redacted] to NRO contract [redacted]. RI&IS terminated [redacted] employment on [redacted] debriefed him of his clearances, and reimbursed the Government the full amount of [redacted]. The OIG presented the facts of this case to the United States Department of Justice, United States Attorney's Office, District of Colorado, which declined prosecution due to the amount of loss, and full restitution to the government by RI&IS. The OIG considers this investigation closed.

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(U) INVESTIGATIVE DETAILS

(U//~~FOUO~~) The OIG interviewed [redacted] coworkers in addition to comparing his ADF-C badge records with timecards. The results of those efforts are synopsized below.

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IG Act

(S//~~TK//NF~~) On 24 June 2010, the OIG interviewed [redacted] [redacted], Raytheon, ADF-C. [redacted] stated [redacted] worked as an [redacted] [redacted] supported the [redacted] Office during the [redacted] period. He worked all of his time within the ADF-C. His core hours range from 0800 to 1700 with some allowed flexibility. Previously, he worked in the [redacted] and in the [redacted]. [redacted] stated that during [redacted] tenure at both the [redacted] and [redacted], he produced quality work. [redacted] related that [redacted] was considered a great performer and one of the founders of the [redacted] at the ADF-C. However, [redacted] experienced some concerns with [redacted] work attendance for approximately [redacted]. [redacted] stated that in early [redacted] the [redacted] and [redacted] positions were converted from contractor positions to National Geospatial Agency (NGA) government slots. [redacted] felt slighted when the changes occurred and he was not selected. [redacted] opined that the aforementioned, coupled with some

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IG Act

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personal issues in [redacted] life, caused him to become less motivated. [redacted] suspects [redacted] might have a drinking problem. There were reports of [redacted] coming to work smelling of alcohol. In the past year, he used a significant amount of personal time off, or went home sick.

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IG Act

(S//TK//NF) [redacted] explained that in order for [redacted] to maintain his [redacted] operator certification he was required to work two 12-hour shifts per month on the Operations Floor. [redacted] would transition in [redacted] back to the Operations Floor, working 12-hour shifts. There were occasions when [redacted] could not be located within the ADF-C, and other times, he failed to show-up for work without notifying management. In May 2010, [redacted] questioned [redacted] regarding his recent work attendance concerns. [redacted] provided an excuse of going to his car for lunch. When further questioned about the duration of his lunch breaks, [redacted] responded he was not aware lunch was a non-chargeable event. Subsequent to the counseling session, [redacted] was required to check-in with [redacted] upon arrival and before departing work. [redacted] did not have daily interactions with [redacted] and they worked in different office spaces.

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(b)(3)

(U//FOUO) On 24 August 2010, the OIG interviewed [redacted] [redacted], ADF-C. [redacted] stated that approximately [redacted] prior, he and [redacted] were assigned to an NGA collaboration effort/team. [redacted] stated there were weekly collaboration meetings that [redacted] attended. [redacted] typically attended the meetings for a few minutes and would leave without explanation. [redacted] stated there were occasions when members from the collaborative effort attempted to locate or contact [redacted], and no one could account for his whereabouts. [redacted] opined [redacted] was often sick. [redacted] stated [redacted] claimed he worked a "shift," presumably in the evening, when his whereabouts were questioned.

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IG Act

(U//FOUO) On 3 September 2010, the OIG interviewed [redacted] [redacted], ADF-C. [redacted] and [redacted] [redacted] from circa [redacted] [redacted] did not report to [redacted] although he supported [redacted] branch. [redacted] was assigned to a [redacted] collaboration effort during the aforementioned period. Although they shared a common work space, they did not work on the same projects. [redacted] stated there were occasions when [redacted] was not present at work. [redacted] thought the absence was related to either [redacted] being on sick leave or working on other projects. [redacted] thought [redacted] occasionally worked a shift-type schedule, and was absent occasionally due to his shift work.

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IG Act

(U//FOUO) On 4 November 2010, the OIG interviewed [redacted] [redacted], ADF-C. [redacted] supported the [redacted] [redacted] worked with [redacted] during a project named [redacted] [redacted] related the project initially started in [redacted] [redacted] involvement with the project was limited, and he provided an operations and maintenance perspective. [redacted] placed him on the project, but he never provided [redacted] or

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IG Act

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[redacted] insight into what his role was. [redacted] advised [redacted] and [redacted] that his contributions would be limited due to other duties. [redacted] believed [redacted] worked shift hours and other miscellaneous duties during the same period of [redacted]. [redacted] never suspected [redacted] was not working his required hours because his involvement with the project was so limited.

(b)(7)(c)
IG Act

(U//~~FOUO~~) On 11 November 2010, the OIG interviewed [redacted]. He stated all of his work was conducted within the ADF-C. [redacted] understood he could only charge direct time to the government contract when he was actually conducting work-related activities. [redacted] understood he could not charge direct time while on personal time off, sick leave, physical fitness activities, lunch (unless eating while at his desk) or other non-work-related activities.

(U//~~FOUO~~) The OIG questioned [redacted] about his timecard management practice, and he provided the following:

- He had various charge codes he used for direct labor charges.
- He sometimes used "PTO" (Personal Time Off) and holiday hours to make up enough hours for the 80-hour pay period if he did not work enough hours.
- He occasionally used his "banked" hours. Banked hours were hours worked in excess of those required (80 hours) during a pay period, for which [redacted] was not paid. [redacted] carried these hours as a balance to be used at his discretion. [redacted] stated that banked hours were automatically taken out of his balance when he did not meet the required 40 hours during a week period.
- He routinely filled out his timecards on Thursdays and sometimes estimated how many hours he might work on Fridays. [redacted] stated there were occasions when he charged more hours than he worked, but thought he made those hours up on other days when he charged fewer hours than worked. [redacted] stated that when he was short of the required 80 hours (biweekly), he would use either PTO or banked hours.

[redacted] admitted he did not accurately track his hours, but opined that he never deliberately charged hours he did not intend to make up. [redacted] stated he did not purposely commit timecard fraud. [redacted] was asked if he tracked his hours to ensure he made up missing hours. [redacted] related he did not track his hours and just assumed he made them up.

(U//~~FOUO~~) The OIG questioned [redacted] about his work attendance while supporting the [redacted] project. [redacted] stated that during this period, he routinely did not work a full eight-hour day. [redacted] estimated he worked on average six hours and the rest of the time he charged as PTO or banked hours. [redacted] stated that during this period he was going through a divorce and other personal matters, and was depressed. [redacted] was questioned about counseling he received pertaining to his work attendance. [redacted] stated he received a written reprimand circa May 2010, for failing to notify his management that he was going home early and taking PTO. [redacted] stated he was never counseled for timecard discrepancies.

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(U//~~FOUO~~) The OIG conducted an analysis of [redacted] ADF-C badge records and RI&IS timecards for the period [redacted]. The analysis disclosed discrepant hours that amounted to approximately 19 percent of [redacted] charged time. The OIG provided supporting documentation to RI&IS, which conducted its own inquiry. The total discrepant hours identified were 455 direct-charge hours, which amounted to a fully burdened loss to the NRO of [redacted] of which [redacted] received [redacted]. The OIG investigation also disclosed that prior to [redacted] supporting the [redacted] project, he worked a 12-hour shift schedule supporting the Operations Floor and did not engage in cost mischarging.

(U) CONCLUSION

(U//~~FOUO~~) RI&IS terminated [redacted] employment on [redacted] debriefed him of his clearances, and reimbursed the Government the full amount of [redacted]. The OIG presented the facts of this case to Mr. Matthew Kirsch, United States Department of Justice, United States Attorney's Office, Assistant U.S. Attorney, Chief, Economics Crime Division, District of Colorado, who declined prosecution due to the amount of loss, and restitution to the government by RI&IS. Given the declination of prosecution and RI&IS' credit to the NRO for the mischarged hours, there is no further investigative action required. The OIG considers this investigation closed.

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